

PREPARED STATEMENT BY:

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Good morning. We are announcing this morning that all gasoline sold in the Denver area must be less volatile than has been the case in the past. This requirement becomes effective June 1.

This action will reduce the amount of ozone in the air in the Denver area, increasing the chances for Denver to come into compliance with new ozone requirements.

For 12 years, EPA has allowed the sale of gasoline in the Denver area that measured 9.0 pounds per inch volatility, as measured by a system called Reid Vapor Pressure, while the standard that most of the rest of the United States has been required to meet has been, and is, 7.8 pounds per square inch.

The lower the number, the less gasoline evaporates during the hot summer months. Evaporation occurs when we fill our tanks, when tankers fill the storage tanks at gas stations and at bulk storage facilities. Evaporated gasoline and other volatile compounds mix with other chemicals in the air and, with sunshine, produce ground-level smog and ozone, which are unhealthy when above national standards.

Denver has been exempted from this requirement because it was, during those years, meeting the existing ozone standard. However, Denver currently is not meeting the new eight-hour ozone standard.

Denver consumers may feel the result of this decision in several ways. We have data from eight other cities across the country where this action increased the price of gasoline by one cent per gallon or less. We have surveyed local producers and we do not expect any increase in price in the Denver area to be substantially higher, and there may be no increase at all. Second, there may be a slight reduction in gasoline availability depending on the capacity of one refinery to meet the new requirement. We have provided for this potential problem. If the refinery in question cannot meet the standard, we may allow sale of gasoline from that refinery in order to meet consumer needs, but we will require the payment of a per-gallon fee that precludes that refinery from obtaining a competitive advantage.

But the major way in which Denver consumers will feel the result of this decision is that the air they breathe will be improved.

The greater Denver area, including eleven counties, and the State of Colorado have entered into an Early Action Compact in which the parties agree to certain actions to improve air quality that would take place before they otherwise would be required, thereby bringing the Denver area into compliance more quickly. In return, EPA will not finalize a decision that Denver is in non-attainment.

Today's action helps accomplish the goal of full compliance. Next month, EPA will announce its final decisions with regard to the boundaries of ozone non-attainment areas. In addition to everything else, today's action is a "first step" on reducing ozone problems in that as yet undefined area. Final decisions on the Early Action Compact are some months away, but this step can be taken, and is being taken, now.